

# AGRIBUSINESS MANAGEMENT

**5002**

**CIP Code: 01.0102**

Agribusiness Management is a year long course that presents the concepts necessary for managing an agriculture-related business from a local and global perspective. Concepts covered in the course include: identification of careers in agribusiness, global visioning, safety management, entrepreneurship, the planning, organizing, controlling, and directing of an agribusiness, effects of government organizations on agribusiness, economic principles, credit, record keeping, budgeting, fundamentals of cash flow, taxation and the tax system, insurance, marketing, cooperatives, purchasing, the utilization of technology in agribusiness, human resource management, customer service, and employer-employee relations and responsibilities.

- Suggested Grade Levels: 11-12
- Recommended Prerequisite: Fundamentals of Agricultural Science and Business or permission of the teacher
- A two credit/two semester course.
- A Core 40 directed elective as part of a technical career area.
- This course qualifies as an Academic Honors Diploma elective.
- Competencies and learning activities defined.
- This course is included as a component of the Agriculture and Natural Resources career cluster and may also be included as a component of the Business, Management and Finance career cluster.

# Agribusiness Management

**A-1. Students shall analyze how basic economic principles relate to agribusiness management decisions.**

1. Describe the basic economic factors that affect farm and agribusiness management decisions.
2. Give evidence of how supply and demand affect prices.
3. Other than supply and demand, analyze factors that affect prices.
4. Distinguish among supplementary, complementary, competitive and independent enterprises.
5. Describe the concept of diminishing returns.
6. Distinguish between fixed and variable costs.
7. Distinguish between and calculate marginal cost and marginal return.
8. Describe the monetary system and its implications in agribusiness management.
9. Calculate the estimated fixed costs and variable costs for an agricultural commodity.

**A-2. Students shall examine and evaluate the advantages and disadvantages of diversification and specialization.**

1. Evaluate the advantages and disadvantages of diversification and specialization.

**A-3. Students shall investigate the Gross National Product and total global economy and assess their importance to agribusiness.**

1. Investigate the importance of agribusiness and its impact upon the Gross National Product and the total global economy.

**A-4. Students shall identify and evaluate the decision-making tools used in agribusiness management.**

1. Describe economic decision-making tools that can be used to help determine the profitability of agricultural enterprises.

**A-5. Students shall examine the U.S. Monetary System and its relationship to agribusiness.**

1. Investigate the operation of the U.S. Monetary System.
2. Describe the relationship of agribusiness and the United States Monetary System.

**B-1. Students shall identify and evaluate the primary governmental agencies involved with agriculture.**

1. Identify and describe the primary agencies involved with agriculture and the services they provide.

**B-2. Students shall analyze how government policies and laws affect an agribusiness.**

1. Identify the provisions of the current U.S. Farm Bill and compare to previous legislation.
2. List the characteristics regarding regulatory laws and agriculture.
3. Identify the provisions of federal, state, and local legislation in regards to environmental regulations.

**B-3. Students shall examine and explain the purposes of agricultural contracts and leases.**

1. List the purpose and components of agricultural contracts and leases.

**B-4. Students shall examine the agricultural laws and regulations governing agribusiness.**

1. Describe the property rights of agricultural landowners and agribusinesses.

**B-5. Students shall examine and evaluate the systems for taxing agribusiness.**

1. Evaluate the purposes of taxes.
2. Describe the purposes of tax planning and list records and information helpful for tax management.
3. Distinguish between taxable and non-taxable items.
4. List examples of deductible business expenses.
5. Analyze the various types of tax credits.
6. Discuss the Homestead Act and how it affects agribusiness.

**C-1. Students shall identify and utilize the different management factors that need to be considered to start and operate an agribusiness.**

1. Describe what is meant by agribusiness management.
2. Explain the role of a manager.
3. Synthesize the functions of organizing, directing, planning, coordinating and controlling in agribusiness management.

**C-2. Students shall evaluate the necessity for setting goals and objectives.**

1. Discuss the importance of setting goals and objectives.

**C-3. Students shall examine the processes involved in locating a successful business, organizing proposals, and promoting a product or service.**

1. Utilize market analysis to determine business potential.
2. Appraise business locations.
3. Organize a business proposal.
4. Formulate a plan to promote a product or service.

**C-4. Students shall identify and evaluate the various types of ownership found in agribusiness.**

1. Compare and contrast the main characteristics of individual proprietorships, partnerships and corporations.
2. Define entrepreneur.
3. Recognize personal potential as an entrepreneur.
4. Examine career opportunities for entrepreneurs in agribusiness.

**C-5. Students shall identify and evaluate the different sources of credit.**

1. Analyze the role of credit in agriculture.
2. Define specific kinds of credit and list factors to consider in selecting an appropriate source of credit.
3. Match sources of credit to a list of advantages and disadvantages.
4. Analyze factors affecting repayment capacity.
5. Distinguish among various types of assets and liabilities.
6. Analyze factors that affect cost of credit.

**C-6. Students shall examine and evaluate the various methods of obtaining equipment, land, and supplies.**

1. List advantages and disadvantages of purchasing new versus used equipment.
2. Compare and contrast advantages and disadvantages of leasing.
3. List factors to consider in purchasing seed, fertilizer, fuel, repairs, and other services.
4. List the advantages and disadvantages of co-ownership.

**C-7. Students shall examine all decision-making aids available for agribusiness management.**

1. Utilize the management decision-making aids available (e.g., microcomputer, publications).
2. Describe the latest aids available in marketing crops or livestock.
3. Identify guidelines for selecting a suitable computer system.
4. Utilize decision aid software and computerized recordkeeping systems.

**C-8. Students shall examine and evaluate the different types of insurance available to an agribusiness.**

1. Describe the impact of various types of insurance on risk management.

**C-9. Students shall evaluate safety procedures used in farm and agricultural industry.**

1. List factors which contribute to farm and agricultural industry accidents.
2. Describe management's responsibility in farm and agricultural industry safety.
3. Identify sources of safety information.

**D-1. Students shall explain the function and importance of farm cooperatives in the agricultural sector.**

1. Describe the basis for the original formation of farm cooperatives and how they were organized.
2. Describe some of the changes which have taken place within the coop structure.

**D-2. Students shall examine and evaluate the advantages and disadvantages of cooperatives.**

1. Detail how cooperatives have acted as pacesetters and power balancers in agribusiness.

**D-3. Students shall examine the organization of cooperatives and the basic principles utilized to ensure their success.**

1. Explain how local and regional cooperatives are organized and identify the basic principles that ensure that cooperatives serve the needs of member-patrons.

**D-4. Students shall identify the challenges and opportunities offered to agricultural cooperatives.**

1. Examine some of the challenges and opportunities that face agricultural cooperatives.

**E-1. Students shall compare and contrast the two methods of accounting.**

1. Compare and contrast between the two methods of accounting.

**E-2. Students shall examine the reasons for keeping an inventory and the value of depreciation schedules.**

1. Describe, complete, and use inventory and depreciation schedules.
2. List the purposes of an inventory.

**E-3. Students shall evaluate the concept of depreciation and the various methods used to calculate depreciation.**

1. Describe, complete, and use inventory and depreciation schedules.
2. Distinguish among the straight-line, declining balance, and sum-of-the-years digit methods of calculating depreciation, and government regulations.

**E-4. Students shall examine the different types of budgeting.**

1. Analyze the different types and purposes of budgets.
2. Arrange in order the steps in developing a budget.
3. Describe the purposes of enterprise records.
4. Demonstrate the ability to complete an enterprise budget for an agribusiness.

**E-5. Students shall examine the various factors involved in constructing a balance sheet and an income statement.**

1. Calculate fixed and operating costs.
2. Analyze benefits of cash flow planning and deduce methods of altering cash flow.
3. Complete a cash flow statement.
4. Develop a working knowledge of how financial statements aid the agribusiness management decision-making process.
5. Develop a balance sheet and analyze its uses.
6. Develop an income statement and describe its purposes.
7. Show a complete repayment plan.

**E-6. Students shall analyze a financial statement.**

1. List steps in finding and correcting errors in records.
2. Complete a break-even analysis for an enterprise.
3. Analyze the various financial ratios.

**F-1. Students shall investigate how marketing and marketing concepts affect an agribusiness.**

1. Explain what is meant by the term, free enterprise system.
2. Compare and contrast the types of markets.
3. Evaluate the importance of grades and standards.
4. Analyze purpose and function of local markets.
5. Compare and contrast global and domestic markets for agricultural products.
6. Explain the difference between a command economy and a market economy.

**F-2. Students shall examine the factors involved in marketing and the different cycles involved.**

1. Describe key factors involved in marketing.
2. Describe price and market cycles on various commodities.

**F-3. Students shall investigate the reasons for and methods used in commodity futures and options trading.**

1. Investigate commodity futures and options trading.
2. Distinguish between hedging and speculation.
3. Develop a marketing plan for a commodity.

**G-1. Students shall identify and examine the career opportunities in agribusiness.**

1. Describe how to prepare for a career in agribusiness.
2. Examine the career opportunities available in agribusiness.
3. Develop a systematic approach for finding and getting a job in agribusiness.

**G-2. Students shall identify and exhibit the personal skills required to be successful in different areas of agribusiness.**

1. Identify factors affecting self-image.
2. Develop social skills necessary for success in agribusiness.
3. Propose a plan for improving your professional image.
4. Establish personal goals and list steps necessary to achieve those goals.

**G-3. Students shall evaluate the methods used in recruiting and keeping desirable employees.**

1. Compare methods of staffing an organization.
2. Develop employee orientation/training procedures.
3. Analyze employee benefits.
4. Describe the employer/employee relationship.

**G-4. Students shall identify the importance of communication in a successful agribusiness.**

1. Recognize the importance of work related ethics.
2. Effectively associate with co-workers.
3. Recognize employer responsibilities.
4. Recognize the importance of business related ethics.
5. Utilize business practices to improve written, verbal, and non-verbal communications.
6. Actively participate in group discussions.
7. Organize and conduct a successful meeting.
8. Exhibit the ability to work with diverse groups.
9. Identify and remove barriers to communication.
10. Identify effective listening techniques in group and in personal situations.

**G-5. Students shall investigate work programs and time management strategies.**

1. Investigate employer expectations.
2. Develop a program of work.
3. Organize group activities and programs.
4. Recognize and apply various time management strategies.

**G-6. Students shall evaluate the methods used in problem-solving in agribusiness management.**

1. Evaluate job applicants and employee performance.
2. Develop an effective complaint and appeals procedure.
3. Exhibit the ability to solve problems that arise in an agribusiness.
4. Demonstrate the decision-making skills needed to facilitate the operation of an agribusiness.